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**Caitlin Financial Corp NV v
CA Seimer (M) Sdn Bhd & Anor**HIGH COURT (KUALA LUMPUR) — ORIGINATING MOTION NO R1-25-
90 OF 1998

KC VOHRAH J

B 27 SEPTEMBER 2000

Trade Marks — *Application for registration — Opposition — Confusingly similar marks — Use of mark 'Kiwi' and bird device on sportswear — Opponent's registration used on wide range of goods — Goods of opponent and applicant of different description, whether relevant — Whether application should be allowed*

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The applicant applied to register a mark 'Kiwi' with a bird device on top of the word 'Kiwi' in respect of sportswear, shoes and headgear. The application was opposed by the proprietor of the trademark for incorporating the word 'Kiwi' and/or a bird device of a Kiwi. It was an undisputed fact that the opponent and its predecessors have used and promoted the opponent's registrations in Malaysia on a large scale. The opponent's registrations have been and are still used on a wide range of goods including shoe polish, shoe wax, liquid laundry detergent, toilet bowl cleaner, glass cleaner and floor cleaner. The Register of Trade Mark held that the opponent was not justified in opposing the registration of the mark and ordered the application to proceed to register. The applicant appealed.

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Held, allowing the appeal:

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(1) The applicant's allegation of fact that it had used its mark since January 1979 on its goods, particularly sportswear, had not been substantiated with credible evidence. The burden of proof was on the applicant to prove on the balance of probabilities that it commenced the use of its mark in 1979 and the burden had not been discharged (see p 428C-D).

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(2) Where there are device marks and marks consisting of both words and devices like in the present case, the test of visual and phonetic resemblance between the two marks will be the simplest test to decide whether there is deceptive resemblance. Clearly, when the applicant's mark was compared with the opponent's registered marks, one cannot but come to the conclusion that there was deceptive resemblance between one and the others. The reason seemed obvious that the applicant wished to capitalize on the household name of the opponent's product with the marks with its deceptive resemblance to the opponent's marks (see pp 429H, 430C, G-I).

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(3) It does not matter that the goods of the opponent and of the applicant are of different description. The test is simply whether the opponent by the use of its marks, has established that if similar marks were used in relation to the applicant's goods, the public would be confused. In the context of this case as the 'Kiwi' word

and the Kiwi bird device used together or singly have acquired a reputation the word 'Kiwi' and the Kiwi bird device, if used on different goods in a normal and fair manner will likely to cause deception and confusion on a substantial number of persons, the purchasing public (see p 431A, D).

- (4) The continuous and extensive use by the opponent coupled with the fact that the applicant's mark is deceptively confusing when compared with the opponent's registered mark provide very strong grounds not to register the applicant's mark. It is clear that the word 'Kiwi' and the Kiwi bird device have come to mean the opponent's goods and nothing else. If the applicant is allowed to use the same mark, this would create confusion in the mind of the purchasing public who would assume that such goods are in the same way connected to the opponent's goods and then be misled (see p 432D–E).

[Bahasa Malaysia summary]

Pemohon telah memohon untuk mendaftar tanda 'Kiwi' dengan lambang seekor burung di atas perkataan 'Kiwi' tersebut untuk pakaian sukan, kasut dan topi. Permohonan tersebut telah ditentang oleh tuan punya tanda niaga kerana menggabungkan perkataan 'Kiwi' dan/atau dengan lambang seekor burung Kiwi. Adalah hakikat yang tidak boleh dipertikaikan bahawa penentang dan pendulunya telah mengguna dan mempromosikan pendaftaran penentang di Malaysia secara meluas. Pendaftaran penentang telahpun dan masih digunakan pada pelbagai jenis barangan termasuklah penggilap kasut, penggilap lilin kasut, sabun pembasuh cecair, pembersih mangkuk tandas, pembersih cermin dan pembersih lantai. Pendaftar Tanda Niaga memutuskan bahawa penentang tidak menunjukkan justifikasi menentang pendaftaran tanda tersebut dan memerintahkan permohonan tersebut diteruskan untuk didaftarkan. Pemohon telah membuat rayuan.

Diputuskan, membenarkan rayuan tersebut:

- (1) Pengataan fakta oleh pemohon bahawa ia telah menggunakan tanda tersebut sejak January 1979 pada barangannya, terutamanya pakaian sukan, tidak disahkan oleh keterangan yang boleh dipercayai. Beban pembuktian terletak pada pemohon untuk membuktikan atas imbalan kebarangkalian bahawa ia memulakan penggunaan tanda tersebut dalam tahun 1979 dan beban tersebut tidak dilepaskan (lihat ms 428C–D).
- (2) Di mana terdapat tanda-tanda berlambang dan tanda-tanda yang mengandungi kedua-dua perkataan dan lambang seperti dalam kes ini, ujian persamaan visual dan fonetik antara dua tanda adalah ujian paling mudah untuk memutuskan sama ada terdapat persamaan yang mengelirukan. Adalah jelas, apabila tanda pemohon dibandingkan dengan tanda-tanda penentang yang

- A berdaftar, tiada sesiapa yang boleh menafikan dan membuat kesimpulan bahawa terdapat persamaan yang mengelirukan antara yang satu dengan yang lain. Sebab yang amat nyata adalah bahawa pemohon berhasrat untuk mengambil kesempatan daripada jenama produk penentang dengan tanda-tanda yang mempunyai persamaan yang mengelirukan berbanding dengan
- B tanda-tanda penentang tersebut (lihat ms 429H, 430C, G–I).
- (3) Tidak menjadi hal bahawa barangan penentang dan pemohon mempunyai gambaran yang berbeza. Ujian yang mudah adalah sama ada penentang dengan menggunakan tanda-tandanya, boleh membuktikan bahawa jika tanda-tanda yang serupa digunakan berhubung dengan barangan pemohon, orang awam akan terkeliru. Dalam konteks kes ini memandangkan perkataan ‘Kiwi’ dan lambang burung Kiwi digunakan bersama atau satu per satu telah memperoleh reputasi perkataan ‘Kiwi’ dan lambang burung Kiwi, jika digunakan pada barangan lain dengan cara yang biasa dan adil akan berkemungkinan menyebabkan kekeliruan sebilangan besar orang awam yang membeli (lihat ms 431A, D).
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- D (4) Penggunaan berterusan dan meluas oleh penentang berserta dengan hakikat bahawa tanda pemohon adalah mengelirukan apabila dibandingkan dengan tanda penentang yang berdaftar memberikan alasan-alasan kukuh untuk tidak mendaftarkan tanda pemohon. Adalah jelas bahawa perkataan ‘Kiwi’ dan lambang burung Kiwi membawa maksud bahawa ia adalah barangan penentang dan tiada siapa yang lain. Sekiranya pemohon dibenarkan menggunakan tanda yang sama, ini akan menyebabkan kekeliruan dalam pemikiran orang awam yang membeli yang akan beranggapan bahawa barangan tersebut mempunyai kaitan yang sama dengan barangan penentang dan dengan itu akan terpedaya (lihat ms 432D–E).]
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Notes

- G For cases on opposition to registration of trade marks, see 12 *Mallal’s Digest* (4th Ed, 2000 Reissue) paras 1478–1508.

Cases referred to

- Aristoc Ltd v Rysta Ltd* (1944) 62 RPC (refd)
- H *Australian Wollen Marks Ltd v FS Walton & Co Ltd* (1937) 58 CLR 641 (refd)
- Bali Trade Mark* [1969] RPC 472 (refd)
- Eno v Dunn* (1890) 15 App Cas 252 (refd)
- Golden Jet Trade Mark* [1979] RPC 19 (refd)
- Pianotist Co’s Application* (1906) 23 RPC (refd)
- I *Players Trade Mark* [1965] RPC 363 (refd)
- Saville Perfumery Ltd v June Perfect Ltd & Anor* [1941] RPC 147 (refd)
- Smith Hayden* [1946] RPC 97 (refd)

Legislation referred to

Trade Marks Act of 1938 [Eng] s 11(1)

Trade Marks Act 1976

Trade Marks Ordinance s 23(1)

SF Wong (Pauline Khor with him) (Shearn Delamore & Co) for the applicant.

Roy Rajasingham (RR Singham) for the first respondent.

Asmabi Mohamad (Attorney General's Chambers) for the second respondent.

KC Vohrah J: This is an appeal to the High Court to reverse an order of the Registrar of Trade Marks. The registrar allowed the registration of a mark in the name of the applicant, CA Scheimer (M) Sdn Bhd, over the opposition of Caitlin Financial Corp NV.

This case arose, was dealt with by the registrar, and continues to be dealt with by this court, under the provisions of the Trade Marks Ordinance ('the Ordinance') which was repealed by the Trade Marks Act 1976 which came into force on 1 January 1983.

The opponent is the subsequent proprietor of the following trademarks in Malaysia for or incorporating the word 'Kiwi' and/or the bird device of a Kiwi:

No	Registration No	Class	Representation
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1.	M/01666	2 Inks and stains for leather	
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2.	M/01667	3 Cleansing and polishing preparations (not being detergents and being abrasive) for wood, leather and metal.	
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3.	M/01668	4 Dubbin and dressings (not being polishes) for leather	
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A	4.	M/09317	2	Stains for Leather	
B	5.	M/09318	3	Cleaning and polishing (not being detergents and not being abrasives) and leather dressings included in the class	
C	6.	M/46457	5	Disinfectants	Kiwi
D	7.	M/B 41366	3	Cleaning, scouring and abrasive preparations	Kiwi KLEEN BOWL
E	8.	M/54788	3	Cleaning, polishing, scouring and abrasive preparations, soaps, detergents, bleaching preparations, starch and other substances for laundry use	
F	9.	M/70568	3	Cleaning and polishing preparations	

G On 22 April 1981, the applicant applied to register a mark 'Kiwi' with a bird device on top of the word 'Kiwi' in respect of sportswear, shoes and headgear excluding knitwear in class 25.

The application was accepted and advertized in the Gazette (PU(B) 726) on 29 December 1988.

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On 22 April 1989, a notice of opposition was filed by the opponent on various grounds.

I The Registrar of Trade Marks on 20 January 1996 held that the opponent was not justified in opposing the registration of the said mark and ordered the application to proceed to register though the specification of the goods was amended to read:

Sportswear but excluding knitwear clothing; headgear; shoe, not made of leather; all included in class 25.

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From the ample evidence contained in the affidavits filed before the registrar it is clear that the opponent's marks which have been registered in this country have been widely used and advertized both around the world and in Malaysia. The old trade mark registrations listed as items one to seven have been used around the world since 1906 and in Malaysia since 1945. The new trade mark registrations listed as items eight and nine have been used around the world since 1957 and in Malaysia since 1960. It is an undisputed fact that the opponent and its predecessors have used and promoted the opponent's registrations in Malaysia on a large scale as evidenced from the invoices and advertisements adduced. The opponent's registrations have been and are still used on a wide range of goods including, inter alia, shoe polish, shoe wax, liquid laundry detergent, toilet bowl cleaner, glass cleaner and floor cleaner.

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On the other hand, while the applicant alleges that it has used its mark since 1 January 1979 on its goods, particularly sportswear, I find that this allegation of fact is not substantiated by credible evidence. The burden of proof is on the applicant to prove on a balance of probabilities that it commenced the use of its mark in 1979 and the burden has not been discharged.

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The applicant filed its application in 1988. The applicant certainly would have documents evidencing that the applicant's mark was indeed used on the goods concerned namely sportswear over the last two years since 1979 as these documents would be in the recent control and custody of the applicant. However, not a shred of evidence, not a single invoice, purchase order, delivery order or brochure evidencing alleged sales and advertisement of the goods was tendered, and there was no explanation as to the reason behind the omission of supporting documentary evidence. True the applicant came up with the annual turnover of goods sold which allegedly bore the applicant's mark. These figures, however, do not establish that the applicant's mark was used at all or if used, whether it was used on sportswear, shoes or headgear since 1979.

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I cannot therefore agree with the findings of the registrar that the applicant had been using the mark since January 1979 in Class 25. I would treat the assertion of the applicant that it had used its mark since 1979 as not proved.

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Several grounds for the appeal have been pursued but most deal with the interpretation of s 23(1) of the Ordinance and the application of the provision. The issue of whether the principles of passing off have been properly applied has been raised but I do not think it necessary to delve into that complex area of law in the context of this case bearing in mind that the case can be decided on other issues.

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Section 23(1) of the Ordinance reads as follows:

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- (1) It shall not be lawful to register as a trade mark or part of a trade mark any matter, the use of which would, by reason of its being likely to deceive

A or cause confusion or otherwise, be disentitled to protection in a court of justice, or would be contrary to law or morality, or any scandalous design.

(2) ...

Is there deceptive resemblance between the opponent's registered marks and the applicant's mark? The registrar did not touch on the issue except to remark on the similarity of the applicant's mark and the opponent's marks.

C What then is the interpretation to be placed on s 23(1) of the Ordinance (equivalent of s 11(1) of the English Trade Marks Act of 1938) especially in relation to the phrase 'likely to deceive and cause confusion'? Lord Upjohn in *Bali Trade Mark* [1969] RPC 472 at p 495 had this to say:

D My Lord ... in order to prevent the registration of a mark or to secure its removal it must be established ... not merely that there is likelihood of deception or confusion between two marks judged upon the well known tests laid down in *Pianotist Co's Application* (1906) 23 RPC and *Aristoc Ltd v Rysta Ltd* (1944) 62 RPC but something more, that is user at the relevant time by the owner of the existing mark which under the old common law the court ... would protect ...

E ... It is not necessary in order to find that a mark offends against s 11 to prove that there is actual probability of deception leading to a passing off or an infringement action. It is sufficient if the result of the registration of the mark will be that a number of persons will be caused to wonder whether it might not be the case that the two products came from the same source. It is enough if the ordinary person entertains a reasonable doubt ...

F In the above case, the well known case of *Pianotist Co's Application* (1906) 23 RPC for tests of deception and confusion was referred to (together with the case of *Aristoc Ltd v Rysta Ltd* (1944) 62 RPC) and it is relevant to quote what Parker J in that case at p 777 had to say:

G You must take the two words. You must judge of them, both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact, you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of the trade marks is used in the normal way as a trade mark for the goods of the respective owners of the marks. If considering all these circumstances you come to the conclusion that there will be confusion — that is to say, not necessarily that one man will be injured and the other will gain illicit benefit but that there will be confusion in the goods — then you may refuse the registration, or rather you must refuse the registration in that case.

H Where there are device marks and marks consisting of both words and devices like in our case the considerations are these — as explained by Dixon J (as he then was) in the *Australian Wollen Marks Ltd v FS Walton & Co Ltd* (1937) 58 CLR 641 at p 658:

I ... But, in the end, it becomes a question of fact for the court to decide whether in fact there is such a reasonable probability of deception or confusion that the case of the new mark should be restrained.

In deciding this question, the marks should not, of course, be compared side by side. An attempt should be made to estimate the effect or impression produced on the mind of the potential customers by the mark or device for which the production of an injunction is sought. Imperfect impression or recollection which is carried away and retained is necessarily the basis for any mistaken belief that the challenged mark or device is the same. The effect of spoken description must be considered. If a mark is in fact or from its nature likely to be the source of some name or verbal description by which buyers will express their desire to have the goods, the similarities both of sound and of meaning may play an important part. The usual manner in which ordinary people behave must be the test of what confusion or deception may be expected.

Thus, the test of visual and phonetic resemblance between the two marks will be the simplest test to decide whether there is deceptive resemblance.

Quite clearly in our case, there is deceptive resemblance between the marks registered by the opponent and the mark of the applicant. On the test of visual and phonetic resemblance:

- (1) the words 'Kiwi' are phonetically identical;
- (2) the words 'Kiwi' are visually identical;
- (3) the representations of the Kiwi bird device depicted and portrayed in a similar stylized manner and facing the same direction with the beaks pointing downwards to the left are visually similar.

There are some dissimilarities in the marks. The bird devices in both the opponent's marks and the applicant's mark differ in size and the letters for 'Kiwi' are capitalized in the opponent's marks but not so in the applicant's mark. But when such marks are placed side by side what is the main idea left in the mind? The main idea, the leading characteristic of each mark, is of a stylized Kiwi bird facing westwards with the beak pointing downwards.

Two marks, when placed side by side, may exhibit many and various differences yet the main idea left on the mind is one and the same. The leading characteristic of each mark is to be considered; and if the mark comes to be remembered by some feature in which it strikes the eye, then confusion is likely to result if that feature is adopted in the mark of another. (See *Saville Perfumery Ltd v June Perfect Ltd & Anor* (1941) RPC 147).

Clearly, when the applicant's mark is compared with the opponent's registered marks, one cannot but come to the conclusion that there is deceptive resemblance between one and the others. Despite the obvious similarities between the opponent's marks and the applicant's mark why did the applicant choose 'Kiwi'? It will be observed that the applicant has offered no explanation at all as to the rationale behind its choice of the 'Kiwi' and Kiwi bird mark as the subject matter of its application. The reason seems obvious that the applicant wished to capitalize on the household name of the opponent's product with the marks with its deceptive resemblance to the opponent's marks.

- A There is deception and confusion caused and there will be deception and confusion caused should the applicant's marks be registered.

Does it matter that the goods of the opponent and of the applicant are of different description? The answer is no. The test is simply whether the opponent, by the use of its marks, has established that if similar marks were

- B used in relation to the applicant's goods the public would be confused (see the Trademark Registry case of *Golden Jet Trade Mark* [1979] RPC 19 where the principle was applied).

Where the deception is practiced on a substantial number of people then the case of *Smith Hayden* [1946] RPC 97 has to be considered as relevant. Lord Evershed has given this classic statement on the English equivalent of our s 23(1):

- C Having regard to the reputation acquired by the name 'Hovis', is the court satisfied that the mark applied for, if used in a normal and fair manner in connection with any goods covered by the registration proposed, will not be reasonably likely to cause deception and confusion amongst a substantial number of persons.

- D In the context of this case as the 'Kiwi' word and the Kiwi bird device used together or singly have acquired a reputation the word 'Kiwi' and the Kiwi bird device, if used on different goods in a normal and fair manner will likely to cause deception and confusion on a substantial number of persons, the purchasing public.

- E In regard to the purchasing public, it has to be noted that s 23(1) of the Ordinance is between the purchasing public and a trader seeking registration of a proposed trademark. It is not between two rival traders. Public interest, namely protection of the innocent purchaser has been singled out as the underlying rationale behind this provision. It follows that the public's perspective of the applicant's mark is the relevant perspective to determine this question of fact and degree. Lord Macnaghten has this to say in *Eno v Dunn* (1890) 15 App Cas 252 at p 311:

- G The question is one between Mr Dunn and the public, not between Mr Eno and Mr Dunn. It is immaterial whether the proposed registration is or is not likely to injure Mr Eno in his trade. Equally immaterial is the fact that for a considerable time Mr Eno had on the register his trade 'Fruit Salt'. Mr Eno may have gained some advantage to which he was not properly entitled; but that is hardly a reason for permitting Mr Dunn to practise a deception upon the public.

- H There are decided cases where the equivalent provision of s 23(1) of the Ordinance has been invoked where applications to register the following marks were successfully opposed by users of similar marks on different goods:

- (i) 'Dunn's Fruit Salt Baking Powder' on baking powder by the applicant against 'Fruit Salt' on effervescing drink by the opponent.

Eno v Dunn (1890) 15 App Cas 252

- I (ii) 'PLAYERS' on confectionery by the applicant against 'PLAYERS' on cigarettes by the opponent.

Players Trade Mark (1965) RPC 363

- (iii) A three-pointed star device on clothing by the applicant as opposed to three-pointed star in ring device on vehicles by the opponent. A

Golden Jet Trade Mark (1979) RPC 19

- (iv) The word 'VISA' on condoms by the applicant as opposed to the word 'VISA' & device on credit cards, travellers' cheques and other services by the opponent. This case was decided by the Assistant Registrar of Singapore on 30 January 1989 where the same applicant in our case was the applicant in that case. B

VISA Trade Mark (unreported)

(In the Matter of an Application by *CA Sheimer (M) Sdn Bhd* TM 3319/84) C

At the date of the application to register its mark by the applicant, the opponent had used in Malaysia its registered marks consisting of the Kiwi bird device and the word 'Kiwi' and such use had been continuous for upwards of 35 years already on goods including but not limited to shoe polish. And it will be remembered that there was no proof that the applicant has used the mark that it proposed to register previously. D

Such continuous and extensive use by the opponent coupled with the fact that the applicant's mark is deceptively confusing when compared with the opponent's registered mark discussed earlier provide very strong grounds not to register the applicant's mark. It is clear that the word 'Kiwi' and the Kiwi bird device have come to mean the opponent's goods and nothing else. If the applicant is allowed to use the same mark, this would create confusion in the minds of the purchasing public who would assume that such goods are in some way connected to the opponent's goods and then be misled. E

I order that:

- (i) the registrar's decision of 20 January 96 on the opponent's notice of opposition filed on 2 May 1981 be reversed; F
(2) the same notice of opposition be allowed;
(3) the registrar strike off application No M/90372 from the register of pending applications; and G
(4) the costs of this appeal and costs at the Registrar of Trademarks be paid by the applicant.

Appeal allowed.

Reported by Jafisah Jaafar H

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